

## INSTRUCTIONS - CONDOMINIUM HOTEL OPERATOR REGISTRATION

### WHO MUST REGISTER?

Any sole proprietor, corporation, partnership, limited liability company (LLC), or limited liability partnership (LLP), which provides transient lodging for periods of less than 30 days in a condominium project. In addition, the applicant shall obtain a license as a real estate broker in compliance with Hawaii Revised Statutes (HRS) Chapter 467 and its rules. A condominium hotel includes those apartments in a project as defined in HRS §514A-3 and subject to HRS Chapter 514A.

### TRADE NAME

Applicants using a trade name in addition to the licensee's name shall have the business or trade name registered under the real estate broker's license prior to registering as a condominium hotel operator, and in compliance with HRS §467-9(b) and its rules.

### APPLICATION FORM

Complete the attached application form (CHO-01). All registrations expire on December 31 of an even-numbered year, regardless of when the approval was issued.

1. List all condominium apartments under condominium hotel operation, including apartments owned by the condominium hotel operator and apartments included in a registered time share plan managed by a registered time share plan manager.
2. Submit a certification statement of insurance (CSI-01 form enclosed) or a certificate of insurance from your insurance agent.
3. Pay the correct fees.

### FEES

Make checks payable to "COMMERCE AND CONSUMER AFFAIRS":

If registration will be issued in an **odd-numbered** year, pay .....\$240  
(Application\* - \$50 + Registration - \$100 + Compliance Resolution Fund - \$90)

If registration will be issued in an **even-numbered** year, pay.....\$145  
(Application\* - \$50 + Registration - \$50 + Compliance Resolution Fund - \$45)

\* Application fee is non-refundable.

***Note:** One of the numerous legal requirements that you must meet in order for your new registration to be issued is the payment of fees as set forth in this application. You may be sent a registration certificate before the check you sent us for your required fees clears your bank. If your check is returned to us unpaid, you will have failed to pay the required registration fee and your registration will not be valid, and you may not do business under that registration. Also, a \$15.00 service fee will be charged for checks which are returned by the bank.*

*If for any reason you are denied the registration you are applying for, you may be entitled to a hearing as provided by Title 16, Chapter 201, Hawaii Administrative Rules, and/or Chapter 91, Hawaii Revised Statutes. Your written request for a hearing must be directed to the agency that denied your application, and must be made within 60 days of notification that your application for registration has been denied.*

### BOND REQUIREMENT

Condominium hotel operators are required to obtain a fidelity or employee dishonesty bond which shall protect the condominium hotel operator against fraudulent or dishonest acts by the employees of the condominium hotel operator, and shall cover all employees handling or having custody or control of the condominium hotel operator's or apartment owner's funds, or both.

A certification statement of insurance (CSI-01 form enclosed) or a certificate of insurance, completed and signed by your insurance representative, is required as proof of bond coverage. To avoid delays in processing, **SUBMIT THE PROOF OF BOND WITH YOUR APPLICATION**, or the application will be considered incomplete.

**Bond Amount:** To calculate the amount of coverage needed, multiply the aggregate number of apartments in the condominium hotel operation by \$500. The minimum bond amount shall be \$20,000, regardless of the number of apartments being operated in the condominium hotel and the maximum is \$100,000.

The deductible shall not exceed the greater of \$2,000 or 5% of the face amount of the bond. In no case shall the deductible be greater than \$5,000. "Aggregate number of apartment units" excludes:

1. Apartments owned by the condominium hotel operator.
2. Apartments in a registered time share plan managed by a registered time share plan manager.

**BOND REQUIREMENT  
(Cont.)**

HRS §467-30 requires the condominium hotel operator to keep a current fidelity or employee dishonesty bond, issued by a company currently authorized by the insurance commissioner of Hawaii to issue insurance in this State, in compliance with the statute and any related rules, which:

1. Names the condominium hotel operator as the certificate holder;
2. Provides the Department of Commerce and Consumer Affairs with written notification of at least thirty calendar days prior to its cancellation or termination;
3. Provides coverage for condominium hotel operator activity only;
4. States that the bond is a fidelity or employee dishonesty bond;
5. States the amount of the deductible or that no deductible applies to the bond. The amount of any deductible may not exceed \$2,000 or 5% of the face value of the bond. The deductible may not be greater than \$5,000;
6. Names the condominium hotel operator registrant only as the insured and excludes any other person, trade name, business name or entity as the named insured;
7. States that the policy covers the condominium hotel operator against fraudulent or dishonest acts by the employees of the operator;
8. Includes an expiration date or a statement that the bond is continuous; and
9. Specifies whether the bond is a blanket or name schedule type, and if a name schedule type, lists all persons covered.

A bond must be maintained throughout registration. If at any time the bond expires, is canceled or terminated for any reason, or the registrant fails to provide evidence of continuous bond coverage, the condominium hotel operator registration shall be automatically terminated without notice to the condominium hotel operator. An unregistered operator is without authorization to engage in condominium hotel operator activity. Once unregistered, you will be required to complete new registration application requirements in order to obtain registration.

**MAILING ADDRESS**

Mail the completed registration application, together with the appropriate attachments and the proper fees to:

*CONDOMINIUM HOTEL OPERATOR  
DCCA, PVL Licensing Branch  
P.O. Box 3469  
Honolulu, HI 96801*

Deliver to office location at:

*or 1010 Richards St., 1st Floor  
Honolulu, HI 96813*

Forms: (808) 586-3000

Questions: (808) 586-2644

**REVIEW**

Incomplete applications or applications submitted without the required documents will not be accepted.

**CLIENT'S FUNDS**

Client's funds shall be deposited into a trust account in a federally insured depository in Hawaii by the next business day following receipt. The trust fund shall be only in the name of the registered condominium hotel operator. The trust fund account and the handling of the client's funds shall be in compliance with HRS Chapter 467 and its rules.

**PLACE OF BUSINESS**

The principal place of business and branch offices shall be in compliance with HRS Chapter 467 and its rules.

**LAWS**

A copy of the real estate licensing law and rules, HRS Chapter 467 and HAR Chapter 99 which includes the law and rules on the registration of condominium hotel operators, may be obtained through the *Cashier's Office, Commerce and Consumer Affairs, P.O. Box 541, Honolulu, Hawaii 96809*; telephone 586-2832. (No telephone orders. Call only to verify cost and availability of law and rules.) Chapter 436B, Hawaii Revised Statutes, the Professional and Vocational Licensing Law may be purchased separately for 50¢.

**BIENNIAL  
REREGISTRATION**

Registrations expire on December 31 of each even-numbered year, and completed re-registration applications must be submitted on or before November 30 of each even-numbered year. Re-registration is subject to submitting current fees and evidence of a current fidelity bond. It is the condominium hotel operator's responsibility to re-register, with or without notice. It is the condominium hotel operator's responsibility to provide written notice to the Commission of any changes to the information contained on the registration application forms and documents within ten (10) days of any change.

# Application for Registration - CONDOMINIUM HOTEL OPERATOR

Approved/date:

Notice mailed on:

REGISTRATION NO.  
CHO -

Effective date::

ASSIGNED NO. A

FOR OFFICE USE ONLY

Name of Applicant (Last-First-Middle or name of corporation, partnership, limited liability company (LLC), limited liability partnership (LLP) as it appears on Real Estate Broker's License

Trade Name, if used: (Must be previously registered under the real estate broker's license)

Business Address in Hawaii (Include suite no., city, state and zip code. Address must be either the principal place of business or a registered branch office):

Mailing Address, if different from business address:

Telephone No.

Lic. No. of Corporation, Partnership, LLC or LLP

Condominium Project Name and Address (If more space needed, attach separate sheet)	CPR Number	APARTMENT NUMBERS being operated as a condominium hotel	Total number of apartments operated in each project as a condominium hotel
		List apartment numbers managed for others:	
		List apartment numbers owned by applicant:	
		List apartment numbers in a registered time share plan:	
TOTAL CONDOMINIUM HOTEL APARTMENTS OPERATED .....			

## Affidavit of Applicant:

I understand that it is my responsibility to read the instruction sheet thoroughly. I certify that this application is complete as required, and is accompanied by the required documents and fees or this application will be considered incomplete. I certify that any changes to the application information or proof of fidelity bond coverage shall be reported to the Real Estate Commission, in writing, within ten (10) days of the date of the change.

I certify that the information provided in this application is true and correct and that there are no material omissions. I understand that any misrepresentation of information is grounds for the denial of this application, or license revocation, suspension or the imposition of a fine (HRS 5467-14), or may constitute a misdemeanor (HRS 5710-1017).

I certify that the applicant maintains a client trust account in compliance with HRS Chapter 467 and its rules.

I certify that the applicant maintains continuous fidelity bond coverage in compliance with HRS 5467-30, that evidence shall be filed with the Real Estate Commission throughout the entire registration period, and that it is my responsibility to provide such evidence. I also understand that the Commission shall terminate the registration for failure to provide such evidence, and that notice will not be given. I further understand that the Commission will not notify me of an impending bond expiration date.

Date

Signature of Principal Broker

Print Name of Principal Broker

This material can be made available for individuals with special needs. Please call the Licensing Branch Manager at (808) 586-3000 to submit your request.

CHO-01 0700

Appl.....	580 .....	\$50
Reg.....	591 .....	\$50/100
CRF.....	C13 .....	\$45/90
Service Fee.....	BCF .....	\$15

## CERTIFICATION STATEMENT OF INSURANCE (CSI)

Check ONE type only:

- ☐ Condominium Hotel Operator (CHO)  
☐ Condominium Managing Agent (CMA)  
☐ Condominium Association of Apartment Owners (AOAO)

Policy Number: \_\_\_\_\_

Name of Insured: \_\_\_\_\_

Policy Period: From: \_\_\_\_\_ To: \_\_\_\_\_

Insurance Company: \_\_\_\_\_

1. The undersigned insurance company representative certifies that the above referenced insurance policy complies with the requirements found in Hawaii Revised Statutes §467-30 for Condominium Hotel Operators, or Hawaii Revised Statutes §514A-95 for Condominium Managing Agents, or Hawaii Revised Statutes §514A-95.1 for Condominium Association of Apartment Owners, AND Hawaii Administrative Rules Chapter 99 or 107, as applicable.
2. The undersigned further certifies that the Department of Commerce and Consumer Affairs, Professional and Vocational Licensing Division, Real Estate Branch will be provided written notification at least thirty calendar days prior to policy cancellation, termination, or a material change to the information provided on this Certification Statement of Insurance.\*

\_\_\_\_\_  
Date

By: \_\_\_\_\_

**Signature of Authorized Insurance Representative**  
(Original signature or stamp preferred, however facsimile or photocopied signatures are accepted.)

\_\_\_\_\_  
Print **Name** of Authorized Insurance Representative

\_\_\_\_\_  
Print **Company Name** of Insurance Producer

\_\_\_\_\_  
Print **Address** of Insurance Producer

\_\_\_\_\_  
Print **Phone Number** of Insurance Producer

\* Submit written notification of cancellation, termination, or material change in CSI information to:

DCCA - P&VLD  
Real Estate Commission  
250 S. King Street, Room 702  
Honolulu, HI 96813

(SEE REVERSE SIDE FOR SPECIFIC FIDELITY BOND REQUIREMENTS)

## FIDELITY BOND REQUIREMENTS

**General Requirements:** 1) Insurance company is authorized in Hawaii by the Insurance Division of the Department of Commerce & Consumer Affairs (DCCA); 2) "Certificate holder" is the applicant; 3) Provide DCCA with written notification at least 30 calendar days prior to policy cancellation, termination, or material change to CSI; 4) Provide coverage for either CHO, CMA or AOA activity only; 5) Name the CHO, CMA or AOA only as the named insured, excluding any other person, trade name, or business entity; 6) Specify that bond is a fidelity, employee dishonesty, or commercial crime bond, and whether bond is a blanket or name schedule type; 7) Specify an expiration date or that bond is continuous; 8) Specify whether bond contains a deductible provision or that no deductible applies; 9) Provide other information as requested by the Commission; 10) Deductible amount shall not exceed the greater of \$2,000 or five percent of the bond with \$5,000 as maximum deductible allowed; 11) If bond is a name schedule type, provide the name schedule listing all persons handling or having control of funds received by the CHO, CMA or AOA, and provide notice to the DCCA of any changes to the name schedule on an amended name schedule within 10 calendar days of the change; 12) Bond shall not contain a criminal conviction endorsement or rider which requires as a condition precedent to recovery, the prosecution or conviction of the employee; 13) A fidelity bond exemption application may be approved by the Commission, however, interested applicants must first contact a condominium clerk at 586-2644 to request a CHO, CMA or AOA bond exemption application form. No fidelity bond exemption shall be granted to a CHO having a real estate broker exemption (HRS §467-30(b)(3)). If the bond exemption application is denied by the Commission, a current fidelity bond must be obtained; 14) New registration application processing will cease and existing registration will automatically terminate if the CHO, CMA or AOA lacks an approved bond exemption AND fails to obtain current fidelity bonding as required by HRS Chapters 467 and 514A and HAR Chapters 99 and 107, as applicable.

**Condominium Hotel Operators (CHOs):** Bond amount: \$500 x number of apartments (excluding apartments owned by CHO as either a sole proprietor, partnership, corporation, LLC, LLP, or apartments in a registered time share plan managed by a registered time share plan manager), provided that the minimum bond shall not be less than \$20,000 nor greater than \$100,000 (HRS §467-30(b)(3)). Deductible shall not exceed the greater of \$2,000 or 5% of the face amount of the bond, and in no case shall deductible exceed \$5,000 (HAR §16-99-148(c)). **Required coverage:** Bond covers all the CHO's employees handling or having custody and control of either the CHO's or the apartment owner's funds, or both (HRS §476-30(b)(3)). Protects the CHO against fraudulent or dishonest acts by the employees of the CHO (HRS §467-30(d)). All persons handling or having custody and control of either the CHO's or the apartment owner's funds shall either be employees of the CHO or principals of the CHO (HRS §467-30(h)).

**Condominium Managing Agents (CMAs):** Bond Amount: \$500 x number of condominium apartments managed by the CMA, provided that the bond shall not be less than \$20,000 nor greater than \$100,000 (HRS §514A-95(a)(3)). **Required Coverage:** Bond shall protect the CMA against the loss of any AOA's moneys, securities or other properties caused by the fraudulent or dishonest acts of employees of the CMA (HRS §514A-95(a)(3)). The CMA shall permit only employees covered by the fidelity bond to handle or have custody or control of any AOA funds, except any principals of the CMA that cannot be covered by the fidelity bond (HRS §514A-95(a)(3)).

**Condominium Association of Apartment Owners (AOAOs):** Bond Amount: \$500 x number of apartments, provided that the bond shall not be less than \$20,000 nor greater than \$100,000 (HRS §514A-95.1(a)(1)). **Required Coverage:** Bond covers all officers, directors, employees, and managing agents of the AOAO who handle, control, or have custody of the AOAO funds, and shall protect the AOAO against fraudulent or dishonest acts by persons, including any managing agent, handling the AOAO funds (HRS §514A-95.1(a)(1)).

**LICENSING BRANCH  
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

*To receive confirmation of your registration, fill name and complete mailing address in the block below on the "Notice of Registration" form.*

**NOTICE OF REGISTRATION**

Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii

**This is authorization to operate as a CONDOMINIUM HOTEL OPERATOR until such time that a registration card is processed.**

**THIS AUTHORIZATION IS VALID ONLY WHEN SIGNED BY THE EXECUTIVE OFFICER OF THE REAL ESTATE COMMISSION.**

Fill name & complete mailing address in block below:

Registration No. CHO-\_\_\_\_\_

Effective Date \_\_\_\_\_

Expiration Date \_\_\_\_\_

\_\_\_\_\_  
Executive Officer, Real Estate Commission